

Renaissance Zone (RZ) Overlay Incentives

01.24.20

For your review and feedback, please find the attached preliminary draft of the Renaissance Zone incentive package, which was presented Willmar's Development Committee on December 23, 2019 and January 13, 2020. It should be noted that the designated area is statistically the poorest area in Willmar, has a significant number of blighted properties, and only represents 1.6% of the \$62.2M worth of construction that occurred last year.

The incentive package for the proposed Renaissance Zone (RZ) Overlay, is being submitted to you for vetting purposes. Staff is seeking stakeholder feedback inside and outside City Hall, so that we may best refine the package. Initial vetting will close on **Friday, February 7th**. The incentive package is scheduled to be reviewed by the Planning Commission on Wednesday, February 5th at 7:00 p.m. and with downtown property owners & Willmar Main Street on Tuesday, February 11th at 5:00 p.m. After initial vetting, we will begin drafting the policy ordinances with City Attorney Robert Scott, and finally return to Planning Commission & Willmar's Community Development Committee for either further feedback/revisions or a motion to proceed to City Council. As a part of this final process, an additional public hearing will be held at Planning Commission & City Council before final adoption.

Paper copies of the proposed incentive package are available at City Offices (333 6th St SW) or on the City's website at www.willmarmn.gov. Since there is a significant amount of information in the packet, we respectfully request that any specific and detailed feedback be provided with redlines directly on a copy of document, and then returned either by email or by delivering your redlined doc to Lynn Shuldes at the City Offices front desk. Everyone is encouraged to make any suggested changes they desire. If you have any questions, please contact Dr. David Ramstad (320-214-5184 or dramstad@willmarmn.gov) or Sarah Swedburg (320-214-5195 or sswedburg@willmarmn.gov).

The following pages include:

- RZ Tax Abatement Incentives
- RZ Free Permit Incentives (Building Permits, SAC, WAC & Signage)
- RZ Free City-Owned Land Incentive
- RZ Heritage Designation Incentive
- RZ Matching/Forgivable Loan for Façade Renovation
- RZ Removal of Holiday/Weekend Parking Restrictions
- RZ Bar License (Will hopefully be delivered at meeting)
- RZ Open Zoning (Will hopefully be delivered at meeting)

RENAISSANCE ZONE INCENTIVE GRID

	Tax Abatement			TIF	Free Permits				Free City Owned Land		Heritage Designation		Forgivable Loan Facade Restoration		Parking Reduction		Open Zoning
	5yrs	10yrs	15yrs		Building	Mech.	SAC/WAC	Signage	Land Use						25%	50%	
Regular Zoning District(s)				X													
Renaissance Overlay Zoning District	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
*\$75 SF, 3 - 6 Story New Construction (Mixed - 4 Housing Unit Min / Res Only - 10-Unit Min)	X			X	X	X	X	X	X	X					X	X	X
*\$125 SF, 3 - 6 Story New Construction (Mixed - 4 Housing Unit Min / Res Only - 10-Unit Min)		X		X	X	X	X	X	X	X					X	X	X
*\$175 SF, 3 - 6 Story New Construction (Mixed - 4 Housing Unit Min / Res Only - 10-Unit Min)			X	X	X	X	X	X	X	X					X	X	X
\$30 SF, Renovation Heritage-Designated Building	X			X	X	X	X	X	X	X	X	X	X	X	X	X	X
\$80 SF, Renovation Heritage-Designated Building		X		X	X	X	X	X	X	X	X	X	X	X	X	X	X
\$130 SF, Renovation Heritage-Designated Building			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Single Family - Exempt																	X
2-Story or Less Building				X													X
25+ Car Parking Ramp	X				X			X	X								X
50+ Car Parking Ramp		X			X			X	X	X							X
75+ Car Parking Ramp			X		X			X	X	X							X

City will combine multiple Renaissance Zone incentives with Opportunity Zone incentives. Single family residential, government-owned improvements and buildings owned by religious organizations are not eligible for Renaissance Zone incentives

* Additional requirement apply, see Tax Abatement policy for details (e.g. 10,000 SF minimum; Mixed-used must have at least 4 housing units; Housing-only projects must be at least 10-units; 5% or 1-unit (whichever greater) must be for households earning 60% AMI. Current Land and Building Values remain taxable; Minimum renovation of 50%)



RENAISSANCE ZONE OVERLAY

Abatement Policy

(COUNTY & SCHOOL BOARD PARTICIATION NOT YET DETERMINED)

Effective Date
Pending

DRAFT – 01.22.20

Purpose

Willmar’s Renaissance Zone (WRZ) overlay is intended to further encourage economic development and investment opportunities in Willmar’s Opportunity Zone (WOZ). The WRZ Program includes a property tax exemption as the primary incentive, which includes the possibility of a five (5), ten (10), or fifteen (15) year property tax exemption for qualified projects that meet the minimum investment threshold and objectives outlined in this program. WRZ property tax exemption benefits are only available to eligible projects on properties that are located within the defined WRZ boundary.

TABLE OF CONTENTS

- I. WRZ Abatement Incentive Objectives.....3
 - A. Vision3
 - B. Goals.....3
- II. Project Criteria.....5
 - C. Renovation Projects (residential, retail, offices, or mixed-use)5
 - D. New Construction Projects (residential, retail, offices, or mixed-use).....5
- III. Minimum Investment Thresholds.....6
 - E. Intent.....6
 - F. Financial / Cost Breakdown.....6
 - G. Capital Cost Definition.....6
 - H. Square Footage Calculations / Applicability6
 - I. Thresholds6
 - J. Waiver.....6
- IV. Project Selection and Review8
 - K. Application Process.....8
 - L. Exemption Start Date.....8
 - M. Incentive Packages.....8
 - N. Other Commissions / Approval Processes.....8
 - O. Minor Revisions8
- V. Boundary.....9

I. WRZ Abatement Incentive Objectives

A. Vision

The Willmar Renaissance Zone (WRZ) overlay vision is as follows:

1. **Economic Sustainability:** Encourage urban housing development that transforms downtown Willmar into a self-sustaining economy that strengthens current businesses and continually attracts new commercial projects.
2. **Household Diversity:** Maintain a regionally-demographically-pegged mixture of upper-, middle- and low-income housing units, so that downtown remains a place for everyone in relation to and within a 5% deviation from combined levels found within the city and its 2-mile extraterritorial jurisdiction.
3. **Cultural, Health & Entertainment Center:** Ensure that downtown Willmar represents the cultural heritage and economic diversity of the area by attracting development investments that increase the downtown resident population and increase the number of visitors/patrons to downtown. The creation of a highly-active and prosperous downtown will be achieved through (a) high-density mixed-use design, (b) the repositioning and reinforcement of downtown as the cultural, health and entertainment center of Willmar, and (c) through the dedication of public spaces and common areas for events.
4. **Downtown for Everyone:** Celebrate Willmar's cultural and economic diversity by ensuring there is a demographically appropriate variety of housing, retail, office space and community events. For instance, maintaining a demographically representative level of downtown housing costs will ensure that downtown is for everyone, and will maintain downtown as an inclusive place for all visitors and residents alike.

B. Goals

The Willmar Renaissance Zone (WRZ) overlay focuses on renewal, investment and redevelopment. The goals outlined below are the items that the City of Willmar envisions are necessary in order to produce a downtown environment that is consistent with the tenets of the vision statement. Further, the goals shall be utilized as an element of the criteria that submitted WRZ applications are reviewed against for compliance.

1. **Activity Generators:** Develop and encourage activity generating spaces and buildings along the Renaissance Zone's east-west corridors and 1st Street.
2. **Walkable Districts:** Create "walkable districts" that integrate a wide range of pedestrian activities, hidden parking facilities and cultural attractions that encourage outdoor street activities while mitigating auto parking and congestion challenges.
3. **Ground Floor Uses:** Reserve ground floor land uses to those that will encourage streets to come to life – retail, cafés, restaurants, bars, galleries and other public facilities. There may be residential uses on the ground floor, but they should not be located on the primary east-west commercial corridors in the downtown core.
4. **City Center:** Make Litchfield Avenue and 1st Street Willmar's "Center" of a pedestrian-friendly entertainment and urban housing neighborhood that has a self-sustaining higher population that anchors Willmar.
5. **Urban Design:** Projects will embody strong urban design principles that will differentiate the ground level with pedestrian orientated design that will enhance the streetscape through building configurations that reinforce block corners, high lot coverage percentages, minimal urban setbacks, and provide street level interior to exterior transparencies.
6. **Transportation:** Manage downtown transportation, accessibility and parking in a manner that will allow for continued growth in commercial development and make the zone multimodal-friendly.
7. **Safe Streets – Safe Neighborhoods:** Encourage safe streets and safe neighborhoods by encouraging urban and building designs that use "natural surveillance" through high visibility, lively and active streets, and defensible space
8. **High Quality Housing:** Encourage the production of mixed-use projects that include high-quality housing that is targeted to meet regionally-demographically-pegged levels of middle-, upper- and low-income households.
9. **Infill:** Encourage projects that are the highest and best use of land, such as projects that eliminate and

repurpose surface parking lots, vacant land and other underutilized parcels into higher-density and higher-value uses. Infill projects shall also conform to urban design goals in number 5 above.

10. **Downtown Neighborhood Thresholds:** Enhance auto and pedestrian entry experiences at major points of access, with landscape architecture designs at major corridors into downtown - to create implied and literal gateways. Particularly at entry points on 1st Street, Hwy-12, Litchfield, Becker, Trott and Minnesota Avenues.
11. **The Place to Be:** Reinforce downtown as the entertainment/cultural/recreational center of Willmar – a preferred destination for visitors/conventioneers and an entertainment center for residents.
12. **24/7/365:** Add 500 additional housing units over first 5-year period of the renaissance zone pilot program to begin the creation of a perpetually occupied and self-sustaining urban downtown neighborhood.
13. **Community Events and Celebrations:** Coordinate public and private efforts to enhance identification of downtown as an entertainment district with public street and space activities that create strong community connections between people, places and events.

II. PROJECT CRITERIA

The following criteria shall be used to approve applications for the Willmar Renaissance Zone (WRZ) abatements.

C. Renovation Projects (residential, retail, offices, or mixed-use)

1. Is the use(s) consistent with the WRZ overlay's vision and goals?
2. Will exterior renovation be sufficient to eliminate all deteriorated exterior conditions?
3. Does the scope of the renovation comprehensively address both the interior and exterior of the building?
4. Does the renovation comply with minimum investment thresholds (Section 3, I)?
5. Will the renovation create common area(s)/public space(s) that enhance the pedestrian streetscape and amenities?
6. Weight the merits of the project in relation to any other proposals.
7. Will the renovation preserve any historic- or heritage-designated building(s)?

D. New Construction Projects (residential, retail, offices, or mixed-use)

1. Is the use consistent with the WRZ overlay's vision and goals?
2. Do project costs comply with minimum investment thresholds (Section 3, I)?
3. Will the project create common area(s), public space(s) and/or amenities that enhance the pedestrian streetscape?
4. Weight the merits of the project in relation to any other proposals.
5. Will the architectural design of the project fit contextually and will it enhance the area?

III. MINIMUM INVESTMENT THRESHOLDS

To qualify for consideration for a Willmar Renaissance Zone (WRZ) abatement, each proposal must meet the following minimum criteria.

E. Intent

Investment thresholds ensure significant investment levels are made as part of an approved WRZ project; consistent with the vision and goals set forth in this WRZ overlay.

F. Financial / Cost Breakdown

Financial summary shall be submitted with the WRZ application and be in sufficient detail to document costs and the anticipated total capital investment. Please note that this financial breakdown will be utilized by the city to determine compliance with and approval of WRZ incentives after project completion. Subsidy layering is required to be shown in the estimated budget and pro forma.

G. Capital Cost Definition

WRZ identifies capital costs as the cost incurred for the demolition, repair, replacement or renovation of a building's exterior, roof, structural systems, electrical/plumbing, heating/ventilation/air conditioning systems, windows, exterior doors, elevator improvements and accessibility improvements. In addition, capital costs shall include any soft costs, such as architecture and management fees. Any other costs included in determining the total WRZ investment, but do not meet the definition above, may be considered by the City of Willmar during the project approval process.

H. Square Footage Calculations / Applicability

For purposes of calculating 'per square foot' values, the investment figure shall be the total gross square footage of entire building, excluding unfinished/unoccupied basements. Parking garages that are part of a commercial project, or alone provide public parking, are abatement eligible, but do not satisfy any minimum SF requirements for commercial projects.

I. Thresholds

The following table shows minimum investment thresholds for determining the term of the tax abatement.

Willmar's Renaissance Zone Overlay			
Property Tax Abatement			
(State of MN Property Tax Exemption: Years 1-5 = 100%; after Year-5, exemption cannot be 100%)			
Minimum Investment Per Square Foot (SF) Thresholds			
Term	Renovation	New Construction	Abatement Percentage
5 years	\$30 SF	\$75 SF	100%, Years 1-5
10 years	\$80 SF	\$125 SF	100%, Years 1-5 75%, Years 6-10
15 years	\$130+ SF	\$175+ SF	100%, Years 1-5 75%, Years 6-10 50%, Years 11-15

Minimum project thresholds:

- All projects must have at least 10,000 Gross SF above grade
- Mixed-use projects with a housing component shall have at least 4 dwelling-units.
- Housing-only projects shall have at least 10 dwelling-units, and must have covenants designating at least 5% of the units (percentage rounded down and not less than 1 unit) as being at rents for households at 60% Area Median Income (AMI)
- Renovations projects shall meet a minimum renovation investment of 50% of current assessed value. If a renovation project includes a distinct change of use and a housing component, the project shall have at least 4 dwelling-units.
- Single-family residential, government-owned, and religious-organization owned properties are not eligible.
- All projects must be at least three levels (not including a mezzanine)
- Land Value and Current Building Value remain taxable

J. Waiver

City Council reserves the right to deviate from above approved investment threshold requirements, but developers must request such action in writing. Developer is encouraged to include information that will support their written request. Willmar's Director of Planning and Development and/or Director of Economic Development Commission will investigate developer's request and may require any additional information they deem necessary to support their conclusions and recommendations to Council. City Council may approve or deny developer's request at their discretion for any reason.

IV. PROJECT SELECTION AND REVIEW

K. Application Process

Each submitted application for a Willmar Renaissance Zone (WRZ) abatement will be processed via a review process that will be coordinated by the City of Willmar. Applications must include the following:

1. Completion of Cover Sheet
2. Street address and legal description. If proposed project involves more than one parcel, please provide relevant information for each parcel
3. Current property owner(s)
4. Name of applicant(s), mailing address, phone number(s), email(s) and type of entity (partnership, LLC, S-corporation, etc.)
5. Current use of property
6. Square footage of the lot and building (list each floor separately)
7. Describe the impact this project has on any historic- or heritage-designated properties
8. Type of project (new construction or rehabilitation; residential, retail, offices or mixed-use)
9. Project Description, including the scope of work, a detailed cost estimate of the work to be completed, and justification that the improvements that will meet the minimum investment thresholds. Please provide a break-out of "capital improvements," and explanation for how the project will meet the City's investment guidelines. Also, describe anticipated housing income mix, expected date of 95% occupancy, percentages of retail, housing and/or office space (as applicable), initial operating reserves prior to lease-up
10. Describe how the project enhances Willmar's Opportunity Zone in relation to program objectives stated in sections IA and IB above. Please be as specific about amenities, housing types, retail space, office space, parking, etc.
11. For renovation projects, present the extent of exterior renovation and new improvements to the street facing side(s) of building – include plans and/or renderings as applicable
12. Estimated tax impact of Zone incentives to the applicant: List the current estimated market value of the building, the current annual property tax on the building, the estimated as-if market value of the building after completion, and the estimated five-year impact
13. Provide evidence that the applicant is current on state and local taxes, including a tax clearance letter from the State of Minnesota. Staff can provide a sample submittal letter as a template

L. Exemption Start Date

City of Willmar will start the property tax exemption once the project has met the required investment threshold and received a Certificate of Occupancy. For final approval, submit a final accounting-proforma demonstrating that the Project has met the minimum investment threshold prior to January 2nd to receive the earliest possible property tax exemption. The submission of the final accounting-proforma impacts the timing of when the exemption is reflected on taxes payable. For example, a final accounting submitted in December 2020, is certified January 2021, and the exemption reduces property taxes payable for 2022. It is therefore the responsibility of the Project Developer to time the project accordingly.

M. Incentive Packages

WRZ incentives are eligible to be combined with Opportunity Zone incentives. Single-family residential, government-owned improvements and buildings owned by religious organizations are not eligible for Renaissance Zone incentives

N. Other Commissions / Approval Processes

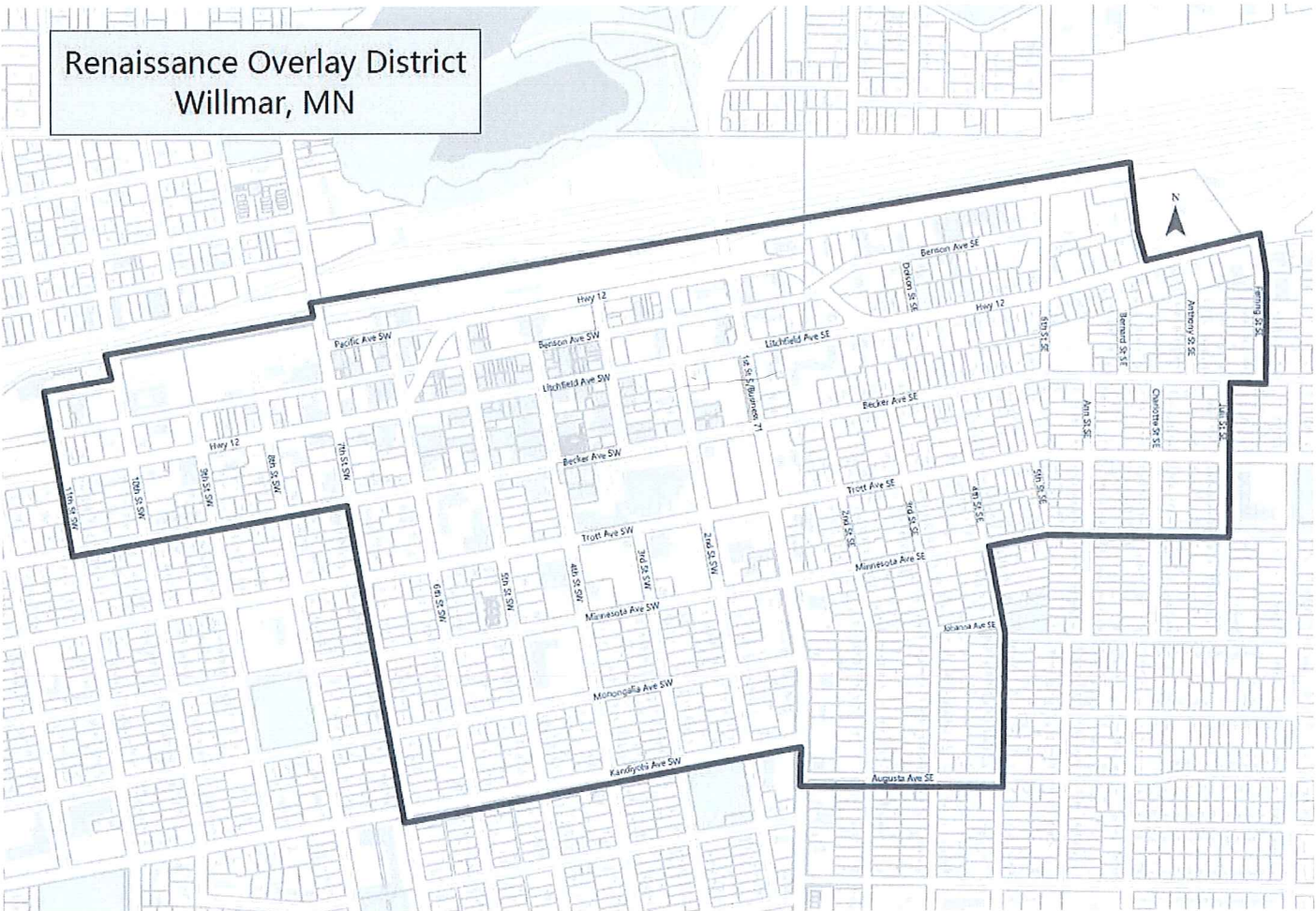
The applicant may be required to secure approvals through other commissions or boards. An approved Renaissance Zone project does not override or supersede any other needed approvals from the Opportunity Zone Program, Planning Commission or other boards, commissions or committees having review authority.

O. Minor Revisions

The City Administrator, or their designee, may authorize minor revisions to this Policy when deemed to be in the best interest of the City and which does not change the overall intent of the Policy as originally approved by the City Council.

V. BOUNDARY

Willmar Renaissance Zone (WRZ) property tax abatements are only available to eligible projects that are located on properties within the defined WRZ boundary.





RENAISSANCE ZONE OVERLAY

Free Permits Incentive

Effective Date

Pending

DRAFT – 01.22.20

Willmar Renaissance Zone Incentive Overlay

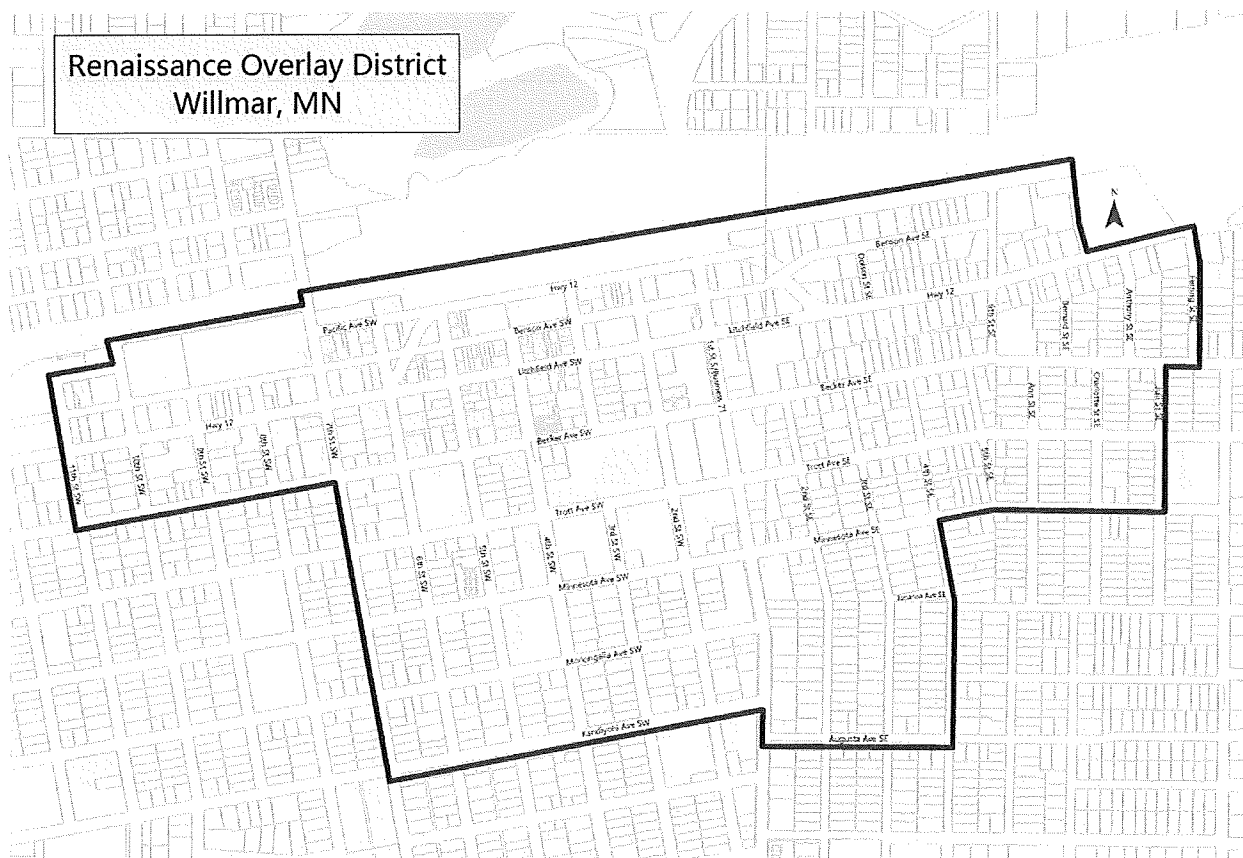
Free Permits Incentive

Per Minn. Statute 326B.121 Subd. 2(g), a municipality may adopt any ordinances related to zoning, subdivisions and/or planning, unless the ordinance conflicts with a provision of the State Building Code that regulates components or systems of any structure.

Establishing permit fees does not conflict with this provision, and the permit fee can be zero-dollars (\$0). Additionally, the municipality may establish different economic development zoning districts with different fees than other parts of the jurisdiction. However, the municipality must pay the full State surcharge for each permit issued, which is based on the valuation of the structure per Minnesota Statute § 326B.148

All City of Willmar building, plumbing and mechanical permit fees; Sewer Access Charges (SAC); Water Access Charges (WAC); Signage Fees; and, Land-Use Fees will be waived for commercial construction projects that meet the following minimum requirements:

- The parcel where construction is to occur shall be within Willmar's Renaissance Zone (WRZ)
- Improvement costs must be equal to or greater than \$10,000



Renaissance Zone Incentive Overlay Cost-Benefit Review: Free Building Permits

The table on the upper-right, lists three recent sample projects and the approximate real estate tax revenues that the minimum City will receive from each. Please note, that these are 2020 tax revenue figures would be compounded and likely significantly higher in the future.

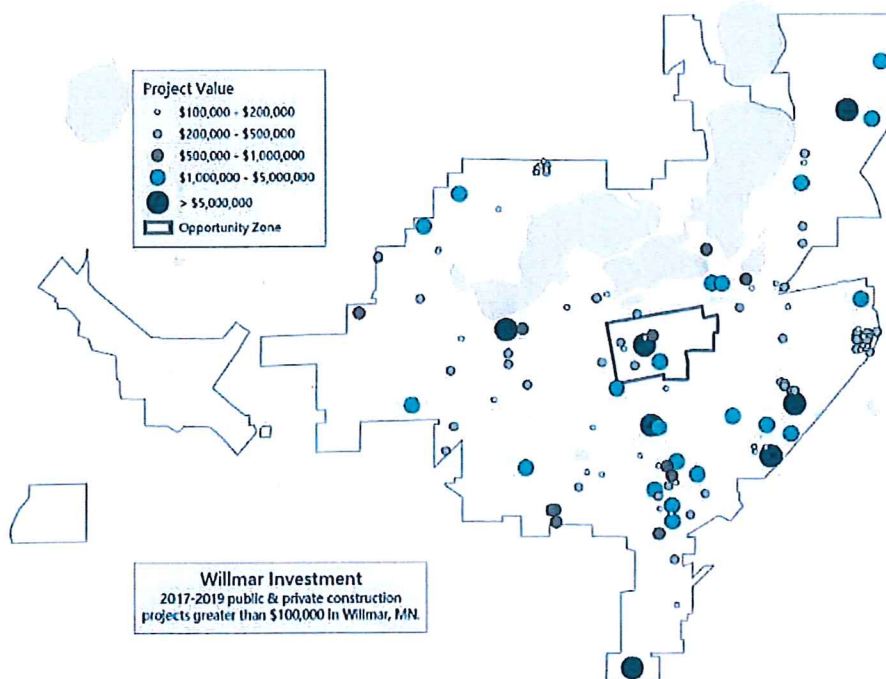
The table in the lower-right, lists the annual building permit fees received within the Renaissance Zone boundary for the past 3-years, their Mean average of about \$27K, and an estimated portion of fees that will be used as a development incentive (Likely in the \$10K - \$15K range). To put this more into perspective, last year, only \$22K of the total \$500K in permit fees were received from the Renaissance Zone area. The largest dark blue circle shown in the map is for improvements made to the hospital, which, as a government-owned building would be excluded from receiving free building permits. The light blue circle in within the RZ boundary is Legacy Plaza, a project type that would be eligible, but with a minimum of two additional stories above the retail.

The table in the upper-left provides housing goal break down.

Based on the below, it is estimated that just one or two 24-unit buildings, with a value of approximately \$2M each, would breakeven with permit fee incentives within five years of property incentive expiration.

RZ Goals		
	15yr	Buildings
10yr Goals	1000 units	20-40 Buildings (25-50 Units Ea.)

Hypothetical Project Samples	
Comp Projects	City Tax Revenue
15 th St Flats 47 units \$127K unit \$6M	\$48K
Herzog 72 units \$66K unit \$4.8M	\$39K
AEHM 24 units \$75K unit \$1.8M	\$15K
Mean (48 units Avg)	\$34K



Annual Permit Revenues Within Renaissance Zone	
Year	Building Permits SAC/WAC Signage
2019	\$21,619
2018	\$39,284
2017	\$19,534
Mean	\$26,812K \$27K - \$15K (65%*) =
Total Incentive	\$12K Free Pmts Year (of \$500K total city-wide)

Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

*Historically, 65% of building permits are under the RZ's \$10K threshold for free permits. Represents approx. \$15K of the \$27K total fees from Building Permits, SAC & WAC, and Sign Permits. Only \$12K of the \$27K will be used as a development incentive.



RENAISSANCE ZONE OVERLAY
Free City-Owned Land Incentive

Effective Date

Pending

DRAFT – 01.22.20

Willmar Renaissance Zone Incentive Overlay Free City-Owned Land

The City of Willmar acquires and owns property within the community to provide a variety of public services and development needs. Most City-owned property is not for sale. However, property that is not needed for a public purpose is available. The sale of City-owned property is subject to public notice and City Council authorization. Upon City Council approval, applicants acquire City-owned property in the WRZ for only one dollar (\$1), plus the required closing costs. Various requirements and/or restrictions may apply depending upon the funding source used for the original acquisition, land use regulations, the City's development objectives, among other factors.

Minimum Development Requirements

As a development incentive, available parcels within Willmar's Renaissance Zone (WRZ) may be acquired virtually free, if the below minimum development requirements are met:

- The City will not consider the conveyance of City-owned land for future speculative purposes
- Construction must begin within 12-months of conveyance
- The City retains the right to issue Requests for Proposals (RFP) for any City-owned land
- 90% lot coverage required
- Mixed-use projects with a housing component shall have at least 4 dwelling-units.
- Housing-only projects shall have at least 10 dwelling-units, and must have covenants designating at least 5% of the units (percentage rounded down and not less than 1 unit) as being at rents for households at 60% Area Median Income (AMI)
- Must provide one (1) onsite interior parking space for each housing unit
- All projects must be at least three levels (not including a mezzanine)
- Land value remains taxable
- The development project does not include single-family housing, government-owned improvements or buildings owned by religious organizations.

Process

1. Complete Application

- In addition to the City's application, purchaser must provide a letter from lender(s) and any other funding providers stating pre-approval amounts, and other listed personal and business financial records within 30-days of application date.

2. Select parcel and sign purchase agreement

- Developer is required to pay the City one-dollar (\$1). Purchaser is also responsible for paying any title insurance premium and commitment, state deed tax, recording fees, title agent closing fees, etc. The City will not require any additional administrative costs.

3. Obtain necessary approvals

- Planning Commission & City Council shall approve sale of land & purchase agreement.

4. Construction

- Construction must commence within 1-year and be completed within 36-months of land conveyance

Map of City-Owned Land (Currently Being Drafted)



RENAISSANCE ZONE OVERLAY

Local Heritage Designation

Effective Date

Pending

DRAFT – 01.22.20

Willmar Renaissance Zone Incentive Overlay

Heritage Preservation

Heritage Preservation Authority

Minnesota Statute § 471.193 sets forth the enabling legislation that allows municipalities to engage in a comprehensive program of historic preservation, and to promote the use and conservation of historic properties for the education, inspiration, pleasure, and enrichment of the citizens of Minnesota. This Statute also provides for a municipality to establish a Heritage Preservation Commission and to delegate or assign powers to enable it to carry out a program of historic preservation activities. Section ### of the Willmar City Code (see Chapter # – Land Use, Plats, and Zoning) contains the Heritage Preservation Ordinance. This ordinance describes the process by which buildings, sites, districts and objects gain Heritage designation (to be developed).

The objective of Willmar's heritage program is to preserve the City's historically significant resources (sites, districts, buildings, and objects) and ensure that they will be available for future generations to recognize, honor, and use. Landmark places, buildings, objects and events reflect and shape Willmar's community values, identity and aspirations.

Need for Heritage Preservation

1. Heritage landmarks are scarce, non-renewable cultural resources that should be treated as valuable community development assets
2. The preservation of Willmar's heritage is an important public service and legitimate responsibility of city government
3. A heritage nomination and review process is necessary because not everything old is significant or worth preserving
4. Saving heritage-significant properties for the benefit of future Willmar generations will always be in the public interest
5. The most effective heritage preservation program is a partnership between owners and city government
6. Heritage preservation is about people and culture, and therefore should be performed in a manner consistent with community values

Program Implementation

The term *heritage designation* is used to refer to buildings, sites, uses, structures, objects and districts that are protected for their historical, architectural, archaeological, or cultural importance. Willmar's heritage preservation program has six steps: 1) program mission; 2) identification of heritage-worthy buildings, sites and uses; 3) evaluation of proposed heritage buildings, sites and uses; 4) heritage designation, 5) building department and planning review and enforcement; and, 6) public education and outreach. This organizational structure is outlined below and reflects the Secretary of the Interior's standards and guidelines for historic preservation as well as current professional practices in heritage preservation planning.

1. Program Mission

- a) Program actions will be carried out in compliance with the comprehensive plan, and revisions and updates will occur when comprehensive plan is periodically updated
- b) A building, site, use, structure, object and/or district qualifies for Heritage designation if it meets at least one of the following eligibility criteria: (a) to preserve an important historic building, site, district associated with a person or event; and/or (b) to retain the integrity of the physical features

necessary to maintain the conveyance of its architectural, archaeological, or cultural significance

2. Identification and Nomination of Heritage-Worthy Buildings, Sites and Uses

- a) Instructions for how to nominate a property for heritage designation will be provided on the City's website
- b) Geographic Information Systems (GIS) map(s) will show the location of existing heritage-designated properties on the City's website
- c) Planner will perform the reviews of local heritage-nominated properties within Willmar's Renaissance Zone and maintain an inventory of all heritage-designated properties.
- d) Planner's review of local heritage-nominated property will be saved in City files per State record retention policies

3. Evaluation of Proposed Heritage Buildings, Sites and Uses

- a) Planner will issue a findings report for each of their heritage eligibility evaluations, documenting such characteristics as the property's location, ownership, date of construction, the relevant historic context and property type, and criteria on which their concluding recommendation is based.
- b) Planner determination of heritage-designation eligibility may be provisional, and it may be necessary for the Planner and/or Building Official to acquire additional information or perform supplementary reviews prior to initiating the process or reaching a concluding recommendation.

4. Heritage Designation

- a) Anyone may nominate commercial properties for heritage designation. Nominations will be considered by the owner of the property, Planning Commission, Development Committee, and City Council. Except in extraordinary circumstances, the nomination for Heritage-designation of commercial real estate will not occur without the consent of the property owner. Nomination and review of a single family home for the "Heritage 90-day Demolition Protection" does not require owner approval.
- b) Heritage designation of single family homes only requires a 90-day moratorium on city issuance of a demolition permit and requires the owner to offer the home for free to anyone that will move it to a new permanent location. The owner must make a good-faith effort to market the home online, advertise three times in the local newspaper of record (once per month), and offer the home through a realtor – stating that the heritage-designated home is scheduled for demolition and is offered for free to anyone that can move the home to another location within 60-days of city approval of their home relocation application – The deadline for receipt of applications is the full 90-day term from date of owner's application to the City to demolish the home. If the party is unable to relocate the home within the 60-day period after application approval by the City, for whatever reason, the owner is released from the demolition restriction and may receive a City permit to demolish the home or may at their choosing give a time-extension to the party seeking to move the home off-site.
- c) An initial Heritage nomination review will be performed by the City Planner for each commercial property nominated. The Planner shall prepare a report that provides the address, location map, and explanation for how the subject property meets eligibility criteria and include the owner's signature of consent.
- d) Heritage-designation of the Willmar Municipal Utilities (WMU) power plant is tentative until January 1, 2022, pending Phase I & II Environmental Assessments and cost benefit analysis to determine the practicality of preserving the WMU building(s).

- e) Planner's heritage nomination report will specify whether the entire or specific parts of the commercial property would be protected from demolition and what components can only be preserved and/or renovated.
- f) Following a public hearing, the Council may formally designate a commercial or residential building by resolution

5. Building Department and Planning Review and Enforcement

- a) Building Official and/or Planner will enforce heritage policies during their permit reviews to ensure that no heritage-designated property is destroyed or damaged as a result of any project.
- b) City will partner with property owners to preserve their heritage-designated property, and provide technical assistance in relation to renovation and restoration.
- c) City will partner with Community Development Committee, Planning Commission and other stakeholder boards and organizations to ensure that heritage management issues are decision making considerations.
- d) When demolition or site destruction cannot be avoided, consideration will be given to how the heritage-designated improvements might be may be moved to another location, creating records prior to moving or demolition, or by salvaging architectural elements or archaeological data for reuse or curation.
- e) In cases involving permits that are not subject to Building Official and/or Planner review, upon discovery of any work, a reasonable effort will be made by staff to preserve and protect designated historical, architectural, archaeological, and cultural features.
- f) Building Official and Planner will work with other city departments to ensure that heritage designation polices are considered in their project planning
- g) Voluntary requests for Building Official and/or Planner review of work that would not ordinarily be subject to this heritage preservation ordinance, will be welcome. If requested, staff will provide correspondence certifying the project's compliance with Heritage policies.

6. Public Education and Outreach

- a) Design and maintain a high-quality heritage page on the City's website
- b) Develop informational plaques that may be physically attached to or nearby the Heritage property
- c) Partner with the Kandiyohi County Historical Society, neighborhood groups, and other community organizations with shared interests to develop effective public education and outreach programs about the preservation, protection, and modern use of historic buildings, sites, and/or uses

Heritage-Designation Incentives

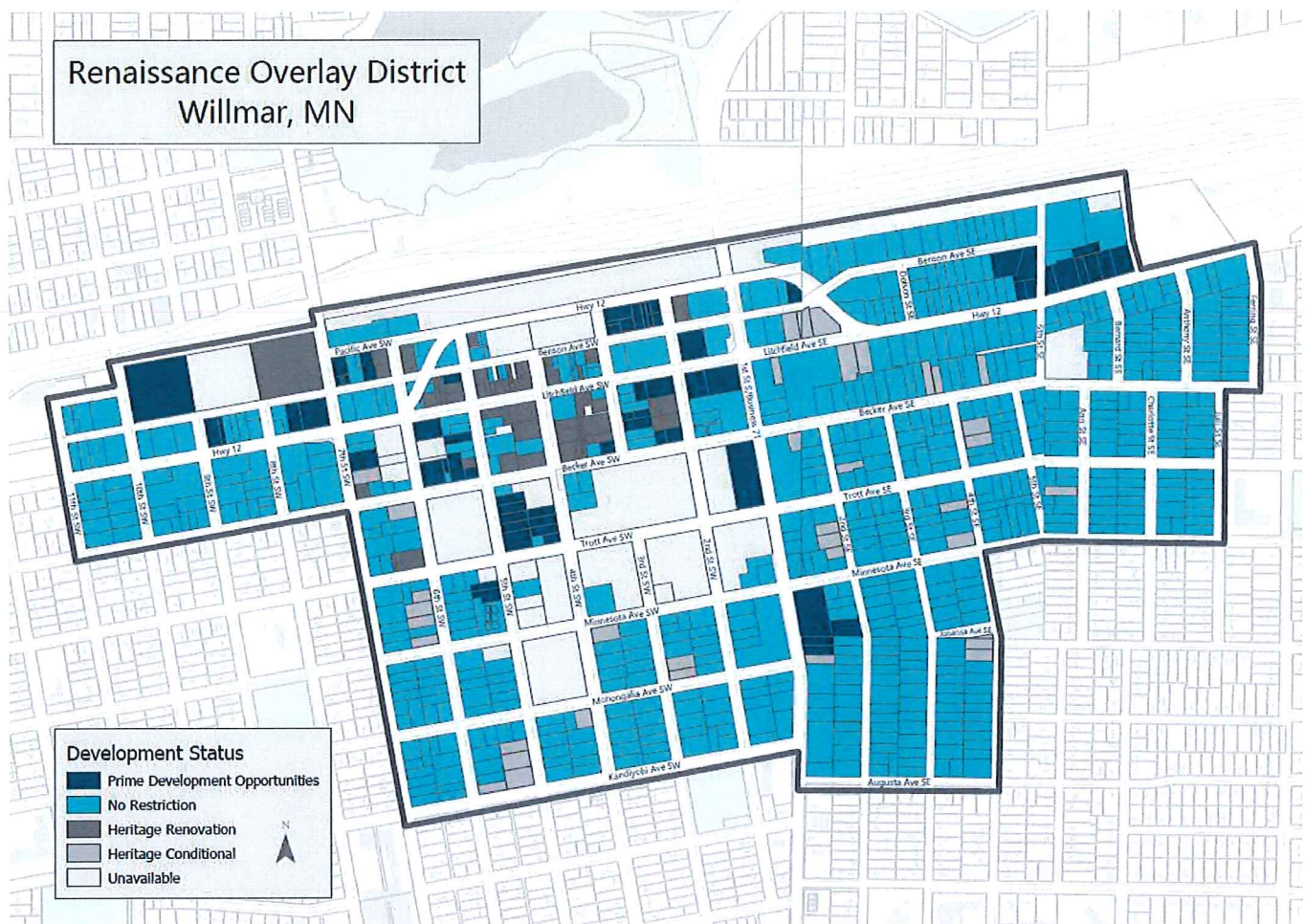
- a) Single family residential, government-owned improvements, and buildings owned by religious organizations are not eligible for Renaissance Zone incentives
- b) City will combine multiple WRZ incentives with Opportunity Zone incentives for preservation work that involves exterior renovations and/or adaptive use of heritage-designated properties, including but not limited to: tax abatements, forgivable loans, free building permits, free signage permits, among others

- c) Heritage-designated properties may receive one or more incentives at one time, but may not receive any additional future incentives for a term of 15-years from the date of last incentive(s)
- d) Heritage-designated properties receiving an incentive, must remain heritage-designated for a 15-year term

Heritage-Designated Parcel Map

Staff have tentatively selected about 50 commercial and 35 residential properties for Heritage designation within Willmar's Renaissance Zone (Designated single family homes are light-grey parcels and designated commercial buildings are dark-grey parcels). Dark blue are sites most favorable for new development. Light blue parcels are generally available, and require some level of demolition. Selected heritage-designated parcels will be presented to the Planning Commission, Development Committee and City Council for their review and determination of whether any of the parcels will be placed on Willmar's Heritage Designation List. A map, list and fact-sheets are attached.

In addition, there are a number of properties already registered as historic places, which are separately listed. An asterisk designates which property on Willmar's list is also on State or National historic lists.





RENAISSANCE ZONE OVERLAY

Façade Renovation Incentive

Effective Date
Pending

D R A F T – 01.22.20

WILLMAR'S RENAISSANCE ZONE OVERLAY COMMERCIAL STREET FACADE RENOVATION LOAN

PROGRAM PURPOSE	Provide financial assistance to small business owners to encourage the revitalization of older commercial properties in the Willmar Renaissance Zone (WRZ). ¹
HOW IT WORKS	Property owner applies for a 0% interest rate loan through Willmar Main Street to improve their storefront façade.
WHO APPLIES	Owner of the storefront property
USES OF FUNDS	Must be used to fund exterior renovation(s), such as exterior doors, windows, awnings, exterior graphics, exterior lighting, or entire storefront or entire building façade. (Not eligible: General property maintenance, landscaping, parking or roofing repair, removable signs, and electronic message boards).
LOAN AMOUNT MATCH INTEREST RATE	Loans from \$5,000 to \$25,000 per store front; requires proof of matching bank funds; 0% interest deferred; forgivable 20% per year, up to 100% after 5-years of being the leasehold tenant or owning the renovated property. Loan due in full if leaseholder moves from building or property is sold, whichever controlling. ²
COLLATERAL	Loans are secured by a mortgage on the renovated property. Personal guarantees are required from any person with a 20% or greater interest in the leasehold business and property ownership.
APPLICATIONS ACCEPTED	<p>City of Willmar will begin accepting applications on a first come first served basis beginning Spring, 2020.</p> <p>Applications must include a contractor quote, photo(s), and scale drawings of proposed façade changes. Architect prepared drawings and specifications are preferred.</p>
APPROVING AUTHORITIES	Willmar Main Street Willmar Community Development Committee & City Council
CONTACT	Sarah Swedburg, Planner, sswedburg@willmarmn.gov , 320.214.5195

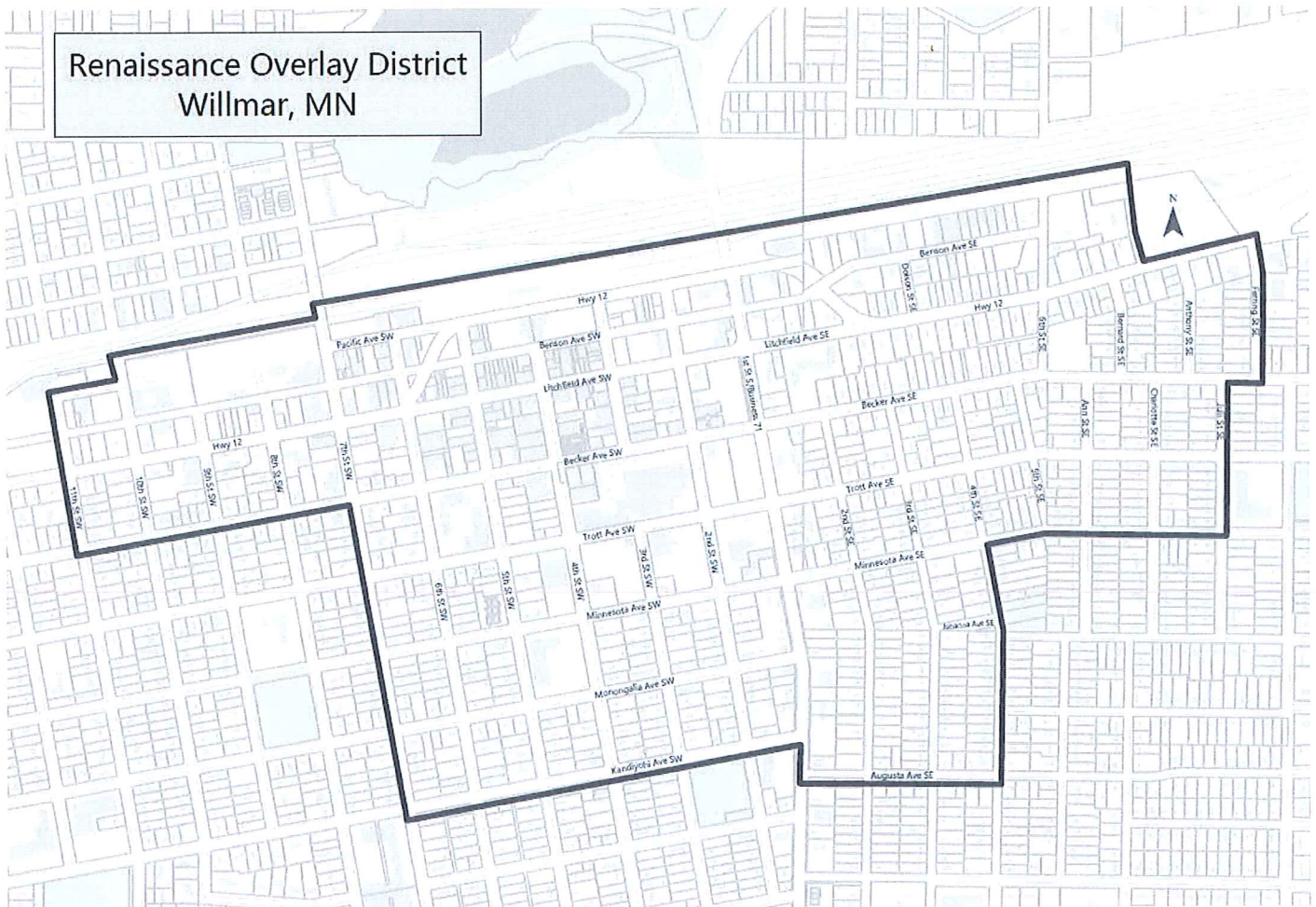
¹ The City Council reserves the right to deviate from the WRZ overlay boundary. However, the applicant must request deviation in writing, providing any additional information necessary to support their request.

² Taxable businesses will receive 1099 for amount forgiven.

Resolution ####-###

CITY OF WILLMAR ECONOMIC DEVELOPMENT INCENTIVES

WILLMAR RENAISSANCE ZONE BOUNDARY





Storefront/Building Façade Rehab Program

333 SW 6th Street
PO Box 755
Willmar MN 56560
320.214.5195

APPLICANT / OWNER INFORMATION

APPLICANT NAME:	BUSINESS NAME:
EMAIL:	PHONE:
MAILING ADDRESS:	CITY, STATE, ZIP:
CO-APPLICANT NAME (if applicable):	
EMAIL:	PHONE:
MAILING ADDRESS:	CITY, STATE, ZIP:
PROPERTY OWNER NAME:	
EMAIL:	PHONE:
MAILING ADDRESS:	CITY, STATE, ZIP:

SITE INFORMATION

SITE ADDRESS:	PARCEL ID:
CITY, STATE, ZIP:	BUILDING IS: <input type="checkbox"/> Owner Occupied <input type="checkbox"/> Leased
CURRENT USE OF BUILDING (list each storefront and its use, if applicable):	
Is the building located in Renaissance Zone? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If No, explain why should your application should be considered?	

LOAN REQUEST INFORMATION

LOAN REQUEST AMOUNT: \$	
PRIVATE MATCHING FUNDS (Source and Amount):	
PUBLIC TO PRIVATE MATCH AS RATIO:	
PROJECT START DATE:	PROJECT COMPLETION DATE:

ARCHITECT INFORMATION

APPLICANT'S ARCHITECT:	FIRM NAME:
MAILING ADDRESS:	EMAIL:
CITY, STATE, ZIP:	PHONE:

PROJECT SUMMARY

IN THE SPACE BELOW PROVIDE A BRIEF DESCRIPTION OF PROPOSED PROJECT (attach an additional sheet, if necessary):

ATTACHMENTS

PLEASE ATTACH THE FOLLOWING:

1. Budget with quote(s)
2. Current photo of storefront
3. Scale drawings of proposed façade changes (architectural review is preferred)

PART B - LOAN INFORMATION

The following financial information is to be provided to **Willmar Main Street** following preliminary approval of the **Willmar Development Committee**, which serves as the review board for the Storefront Rehab Program.

Applicant/Business Name:

Type of business: ☐ Sole Proprietorship ☐ Corporation ☐ Partnership

Applicant/contact person:

Date of birth:

Home address:

Telephone:

City:

State:

ZIP code:

Email:

SSN:

Federal ID #

EMPLOYMENT INFORMATION

Current employment:

How long?

Monthly income:

Previous employment:

Personal reference:

CO-APPLICANT INFORMATION, IF FOR A JOINT ACCOUNT

Name:

Date of birth:

SSN:

Current employment:

How long?

Monthly income:

ADDITIONAL INFORMATION

BUSINESS PLAN AND ATTACHMENTS

- ☐ Business plan – New or startup businesses must include a business plan and include the following: 1) History of business 2) Marketing analysis and strategy 3) Description of products and process
- ☐ Financial projections - Monthly cash flow analysis for next 24 months
- ☐ Last two years' business income tax statements (if an existing business is being purchased or expanded) Last
- ☐ two years' personal income tax statements
- ☐ Scale drawing of proposed façade changes
- ☐ Construction schedule, proposed materials list & color samples with cost estimates
- ☐ Photos - Both recent and historical (if available)
- ☐

IF LOAN IS APPROVED, ADDITIONAL DOCUMENTS MAY BE REQUIRED BEFORE CLOSING

PERSONAL FINANCIAL STATEMENTS

ASSETS			LIABILITIES		
1.	Cash		15.	Notes due to banks	
2.	Savings account		16.	Notes due to relatives	
3.	Checking account		17.	Notes due to others	
4.	Subtotal (lines 1-3)		18.	Unpaid bills	
5.	U.S. bonds		19.	Rent due	
6.	Other securities		20.	Subtotal (lines 15-19)	\$
7.	Other assets		21.	Real estate mortgages and contract for deed	
8.	Subtotal (lines 5-7)	\$	22.	Liens	
9.	Household real estate owned		23.	Installment debts, credit cards, etc.	
10.	Other real estate owned		24.	Car or vehicle debts	
11.	Personal property		25.	Subtotal (lines 21-24)	\$
12.	Other assets		26.	TOTAL LIABILITIES (lines 20+25)	\$
13.	Subtotal (lines 9-12)	\$	27.	NET WORTH	\$
14.	TOTAL ASSETS (lines 4+8+13)	\$		(Line 14 minus 26)	

SCHEDULE OF DEBTS

PURPOSE	COLLATERAL	MONTHLY PYMT	LENDER	UNPAID BALANCE

Have you declared bankruptcy within the last seven (7) years? ☐ No ☐ Yes (attach explanation)

Do you have any pending lawsuits, civil or criminal? ☐ No ☐ Yes (attach explanation)

I certify that all statements made in this application are an accurate representation of my financial condition on this date and are made for the purpose of obtaining the loan indicated. Verification and re-verification of any information contained in this application may be made at any time by West Central Initiative, its agents, successors and assigns, either directly or through a credit reporting agency or another source named in this application at any time while checking the creditworthiness of this loan, or if approved, at any time while said loan has an outstanding balance due.

Willmar Main Street, its agents, successors and assigns will rely on the information contained in this application and I/we have a continuing obligation to amend and/or supplement the information provided in this application if any of the material facts which I/we have represented herein should change prior to advancement of funds by Willmar Main Street or at any time thereafter, if requested.

It is further agreed that in the event that we make credit application elsewhere either prior to, during the term of, or following the making of the loan sought by this application, Willmar Main Street is also authorized to receive additional credit information and to answer any questions by third parties on their credit experience with the undersigned.

Authorized Signature:

Date:

Authorized Signature:

Date:



RENAISSANCE ZONE OVERLAY

RZ Zoning Overlay District

Effective Date

Pending

DRAFT – 01.22.20

RZ Renaissance Zone Overlay District

Objectives

The RZ Renaissance Zone Overlay District is established to....

- Encourage the adaptive reuse of heritage-designated & existing infrastructure
- Encourage creativity (reviewed & approved by Committee & Planning Commission prior to Building Permit application)
- Encourage pedestrian-scaled streetscape (e.g. walkability & promotion of activities)
- Encourage density
- Promote the Renaissance Zone as an entertainment district, so that downtown & 1st Street do not compete but complement each other
- Creating healthy, equitable, and resilient community

Proposed Requirements

Allowable Uses

- Elimination of dwelling unit restrictions in residential zones; properties must take into consideration creativity for necessary provisions (e.g. parking; mixed rental/ownership opportunities in the area; green space/play space)
- Encourage contextual uses & creativity
- Encourage entertainment uses (restaurants, specialty retail, arts & culture, experiences, etc.)

Parking

Up to 50% parking requirement credit, based upon the following provisions:

- Below grade “contextual” or “camouflaged” parking (behind buildings or with building-like facades, heavily landscaped, shared, etc.)
- Suitable number of public parking spaces, if retail or office uses are included
- Bike Parking
- Electric Charging Stations
- Shared/Zip car amenity provided to multifamily housing residents by management

Landscaping

- Landscaping areas should be pedestrian oriented with amenities for those walking by, such as seating, fountains, planting sculptures, etc.

Height

- Up to 6 stories allowed (3 stories required for certain incentives)

Setbacks

- Zero lot line setbacks, with allowable 25% and 50% setbacks for every story above 3 & 5 stories, respectively. Setbacks must be landscaped & pedestrian oriented (not parking)

For context, current setbacks are as follows:

- 30' from right-of-way (residential)
- 30' from rear (residential)
- 10' from interior sides (residential)
- 25' from right-of-way (commercial)
- 10' from interior lot lines (commercial)
- 0' (Central Business District)
- 15' from right-of-way (parking surfaces)
- 10' from interior lot lines (parking surfaces & accessory structures – multi family or commercial)
- 5' from interior lot lines (parking surfaces & accessory structures - residential)

Non-Conforming Status

- Reduce or eliminate non-conforming provisions